

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 135301
ORIGIN EB-08

INFO OCT-01 NEA-11 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 INRE-00
/035 R

DRAFTED BY EB/OA:MHSTYLES:JG
APPROVED BY EB/TRA:JRATWOOD
NEA/IAI:JMCBRIDE

-----000613 262356Z /66

O 262219Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY TEL AVIV IMMEDIATE

LIMITED OFFICIAL USE STATE 135301

E.O. 11652: N/A

TAGS: EAIR, IS US

SUBJECT: CIVAIR: TWA APEX FARE

REF: (A) TEL AVIV 6627 (B) TEL AVIV 6773

1. MINISTER TRANSPORT AMIT MET WITH ASSISTANT SECRETARY KATZ ON MAY 22 AND REPEATED THEME THAT ISRAEL SHOULD NOT BE ASKED SEPARATE OUT NEGOTIATION OF AIR FARES FROM OTHER ISSUES TO BE NEGOTIATED DURING JUNE 26 TALKS. HE OFFERED, HOWEVER, TO HAVE MEETING LATER IN WEEK TO SEE IF SOME INTERIM SOLUTION COULD BE WORKED OUT.

2. AFTER CONSIDERABLE CONFUSION ON MODALITIES, MEETING WAS HELD MAY 25 BETWEEN US CONTINGENT (LED BY DEP ASST SECRETARY FOR TRANSPORTATION AFFAIRS AND INCLUDING CAB AND DOT OFFICIALS) AND MINISTER BAR-ON AND OTHER EMBOFFS WHO WERE JOINED UNEXPECTEDLY HALF WAY THROUGH DISCUSSION
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 135301

BY BEN ARI. CAB OFFICIALS MADE PRESENTATION TO DEMONSTRATE TWA APEX FARE LEVEL WAS CONSISTENT WITH OTHER US-EUROPE FARES AND WAS CLEARLY ECONOMIC AND COST-RELATED. BAR-ON DID NOT SEEK TO DISCUSS MERITS OF AIR

FARE (ALTHOUGH BEN ARI DID IN TERMS WHICH HARDLY LENT CREDENCE TO STATEMENTS MADE BY AMIT THAT ISRAEL HAD

FULLY EMBRACED LOW FARE PHILOSOPHY. BAR-ON SAID ISRAEL

MIGHT BE WILLING TO MAKE SOME TEMPORARY ACCOMMODATION AND HE WOULD ADVISE US LATER WHETHER THIS WOULD BE ACCEPTABLE. ATWOOD SAID US COULD, ALTHOUGH RELUCTANTLY, ACCEPT A SOLUTION WHICH WOULD ALLOW TWA TO OFFER THE APEX FARE IMMEDIATELY (AND EL AL TO OFFER STANDBY FARE AND/OR MADE A COMPETITIVE RESPONSE TO TWA'S APEX FARE) SUBJECT TO SUBSEQUENT SUSPENSION, BUT US FELT FARE SHOULD BE ALLOWED AT MINIMUM THROUGH END OF OCTOBER. IN END, BAR-ON AGREED TO REPORT BACK EARLY NEXT WEEK.

3. RE REF B JUST RECEIVED, DEPARTMENT APPRECIATES EMBASSY'S CONFUSION. THERE HAS BEEN PLENTY OF IT TO GO AROUND. UNTIL PRESIDENT'S LETTER WAS ISSUED, WE TOO WERE UNAWARE THIS WOULD HAVE TO BE "RESOLVED" PRIOR TO NEGOTIATING OTHER ISSUES. JUST WHAT THAT TERM MEANT AND HOW TO BEST ACCOMPLISH IT HAS SUBSEQUENTLY BEEN THE SUBJECT OF INVOLVED DISCUSSIONS WITHIN NUMEROUS ELEMENTS OF WASHINGTON CIVIL AVIATION COMMUNITY AND WITH ISRAELIS HERE. SINCE AMIT WAS IN US SOON AFTER PRESIDENT'S LETTER ISSUED AND HE WAS LATER JOINED BY BEN-ARI, WE FELT THAT KEY DECISION MAKERS WERE ON OUR SIDE OF THE WATER. THE PROBLEM HAS BEEN TO GET THEM TO COME TO A DECISION TO RESOLVE APEX ISSUE WITHOUT OUR POSING AN ULTIMATUM WHICH MIGHT ULTIMATELY BACKFIRE ON US.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 135301

4. WE FEEL OUR PROPOSAL TO MUTUALLY APPROVE APEX AND STANDBY FILINGS SUBJECT TO POSSIBLE SUSPENSION AFTER END OF OCTOBER IS BEST WAY OUT FOR BOTH SIDES. EMBASSY HERE HAS GIVEN US SOME HOPE THEY WILL TAKE IT IF BEN-ARI DOES NOT SUCCEED IN THROWING MONKEYWRENCH INTO THE WORKS. ULTIMATELY WE HAVE TOLD THEM THAT WHEN WE MEET ON JUNE 26 THE US SIDE WILL REFUSE TO DISCUSS ANY OTHER ISSUES UNTIL GOI APPROVES APEX NOT SUBJECT TO SUSPENSION. THIS OBVIOUSLY WOULD BE A NASTY SITUATION WHICH BOTH SIDES SHOULD WISH TO AVOID.

FYI. TWA HAS JUST FILED MODIFIED APEX PROPOSAL WITH SAME TARIFF BUT MORE LIBERAL CONDITIONS. WE HAVE TOLD ISRAELIS THAT SINCE BOTH GOVERNMENTS HAVE 30 DAYS TO REVIEW THIS FILING, IT DOES NOT HAVE TO COMPLICATE JUNE NEGOTIATIONS IF WE CAN GET RESOLVED PROBLEM WITH ORIGINAL FILING. END FYI.

5. AT EMBASSY'S DISCRETION, YOU MAY WISH TO URGE GOI TO ACCEPT OUR PROPOSAL FOR MUTUAL APPROVAL OF APEX AND STANDBY FILINGS SUBJECT TO SUSPENSION AFTER END OF

OCTOBER IN ORDER TO AVOID MORE DIFFICULT CONFRONTATION
ON JUNE 26. ISRAELIS HERE (BAR-ON) UNDERSTAND APPROVAL
OF APEX/STANDBY FILINGS CANNOT BE EXPLICITLY CONDITIONED
ON OUTCOME OF JUNE NEGOTIATIONS SINCE US DOES NOT TRADE
SPECIFIC FARES FOR STRUCTURAL CONCESSIONS AS A BASIC
PRINCIPLE OF AVIATION POLICY. VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, AVIATION AGREEMENTS, AIR FARES
Control Number: n/a
Copy: SINGLE
Draft Date: 26 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE135301
Document Source: CORE
Document Unique ID: 00
Drafter: MHSTYLES:JG
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780223-0876
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780512/aaaaakai.tel
Line Count: 122
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b4853895-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 TEL AVIV 6627, 78 TEL AVIV 6773
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2543185
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: TWA APEX FARE
TAGS: EAIR, IS, US, TWA
To: TEL AVIV
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/b4853895-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014